

Frequently Asked Questions (FAQs)

on Bank Indonesia Regulation Number 10/21/PBI/2008 dated October 15, 2008,
concerning Fifth Amendment to Bank Indonesia Regulation Number 4/9/PBI/2002
concerning Open Market Operations

Q. What is the objective of Open Market Operations in foreign exchange market?

The OMO in foreign exchange market is conducted in effort of liquidity

A. management, either of the Rupiah or foreign exchange.

Q. Why does Bank Indonesia have concern with liquidity in foreign exchange market?

A. Bank Indonesia has the concern with the liquidity in foreign exchange and Rupiah market because the liquidity condition in the market influences Rupiah exchange rate.

Q. Why is Swap transaction tenor extended from 7 days to 1 month?

A. The Swap transaction tenor is extended from 7 days to 1 month, which shall be stated in calendar day/s, to enhance effectiveness of OMO in foreign exchange market and anticipate global financial market turbulences which may disturb national macroeconomic stability.

DPM